

Message Text

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PAGE 01 RABAT 02457 061206Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 TRSE-00 L-03 /021 W
-----070532Z 045138 /10

R 061125Z MAY 77
FM AMEMBASSY RABAT
TO SECSTATE WASHDC 1807
INFO USDOC WASHDC
AMCONSUL CASABLANCA

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E.O. 11652: N/A
TAGS: EWWT MO
SUBJECT: UNITED SEAMEN'S SERVICES TAX PROBLEM

REF: (A) 76 RABAT 6503, (B) 76 STATE 305755, (C) STATE 097465

1. EMBASSY AND CONGEN CASABLANCA HAVE CLOSELY MONITORED
USS TAX CASE SINCE LAST FALL. AS RESULT EMBASSY INTER-
VENTION, INITIAL FORECLOSURE DATE WAS TWICE POSTPONED,
PERMITTING USS OFFICIALS TO MOUNT CAMPAIGN AMONG CONSULS
OF OTHER NATIONS USING USS FACILITIES. AS RESULT THIS
ACTION, DIRECTOR OF CASABLANCA-BASED MOROCCAN NATIONAL
SHIPPING LINE COMANAV, SUPPORTED BY GOVERNOR, PRESENTED
WRITTEN ARGUMENTS TO MINISTER COMMERCE REQUESTING HIS
SUPPORT IN FAVOR OF TAX RULING PERMITTING CONTINUED USS
OPERATION. MINCOMM FORWARDED THESE DOCUMENTS WITH PERSONAL
LETTER OF SUPPORT TO FINANCE MINISTER.

2. ECOUN RAISED SITUATION WITH TECHNICAL LEVEL FINANCE
MINISTRY OFFICIALS DURING TAX TREATY NEGOTIATIONS IN
DECEMBER 1976 IN ATTEMPT TO LEARN HOW RULING MIGHT GO.
MINFIN DIRECTOR OF TAXATION SAID THAT, IN HIS JUDGMENT,
USS CLEARLY DID NOT FALL WITHIN THE DEFINITION OF A
CHARITABLE ORGANIZATION UNDER MOROCCAN LAW.

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3. CONGEN CASABLANCA SUBSEQUENTLY HELD NUMEROUS DIS-
CUSSIONS WITH LOCAL CASABLANCA OFFICIALS, CONSULAR
CORPS COLLEAGUES, AND USS CASABLANCA REPRESENTATIVE
SEEKING TO INCREASE PRESSURE ON MINFIN FOR FAVORABLE
RULING. ON FEBRUARY 28 AMBASSADOR DISCUSSED PROBLEM IN
DEPTH WITH FINMIN SECRETARY GENERAL, POINTING OUT

SERVICES WHICH WOULD BE LOST NOT ONLY TO US SEAMEN, BUT TO ALL USERS OF CASABLANCA PORT AND OVERALL LOSS THIS WOULD BE TO CASABLANCA IMAGE AS A MAJOR INTERNATIONAL PORT. AT OPENING OF CASABLANCA TRADE FAIR ON APRIL 28, SECGEN TOLD AMBASSADOR HE HAD RECOMMENDED RULING FAVORING TAX EXEMPTION FOR USS, IMPLYING SITUATION WOULD SHORTLY BE FAVORABLY RESOLVED.

4. DURING MR. SETTE'S RECENT VISIT, CONGEN CASABLANCA ACCOMPANIED HIM ON CALL ON CASA GOVERNOR AT WHICH TIME LATTER STATED HE HAD (A) ISSUED ORDER RESTRAINING FORCED SALE OF USS ASSETS BY TAX OFFICIALS AND (B) WRITTEN LETTER TO FINANCA MINISTRY URGING THAT USS BE ACCORDED TAX EXEMPT STATUS.

5. WITHIN PAST WEEK, CASABLANCA'S GOVERNOR'S AIDE TOLD US THAT USS ATTORNEY BENSOU DA WOULD BE APPROACHING FINANCE MINISTRY TO CHECK ON STATUS OF CASE. WHILE WE HAVE BEEN DISAPPOINTED BEFORE WHEN EVEN LETTER OF MINCOM FAILED TO BUDGE MINFIN, WE BELIEVE RECOMMENDATION BY MINISTER'S OWN SECRETARY GENERAL, AS SENIOR TECHNICAL ADVISOR, PUTS DIFFERENT COMPLEXION ON MATTER. WE CONSEQUENTLY FEEL IT WOULD BE INADVISABLE TO SEEK MEETING WITH MINISTRY OF FINANCE AT THIS TIME. WE WILL, HOWEVER, MAINTAIN CONTACT WITH BENSOU DA AND USS CASA REP COUMONT TO ASCERTAIN OUTCOME OF THEIR INQUIRIES AT FINANCE MINISTRY.

ANDERSON

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 06-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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